

DISCUSSION TOPICS

Franchise Tax Board Interested Parties Meeting -
Transfer of Appreciated Property to Insurer, section 24465(c) and (f)

March 8, 2011

1. DRAFT TEXT

- a. Books and Records. If gain is deferred pursuant to section 24465, subdivision (b), the transferor-taxpayer shall file a notice of such transfer in the form prescribed by the Franchise Tax Board. Input is desired regarding:
 - Timing of notices;
 - Frequency of such notices;
 - Contents of such notices;
 - Persons required to file such notices;
 - Document retention requirements.
- b. § 24465(f): Suggested text being considered.

2. STAFF'S EXPECTATIONS FOR THE MEETING

The FTB seeks comment and input on the feasibility of implementing the above-described reporting requirements. The FTB anticipates hosting an open discussion to address concerns presented by record keeping requirements. Interested parties should discuss possible approaches to administering this requirement, with the objective of creating rules that may be easily applied by taxpayers and administered by the FTB.

Section 24465(f) contains language proffered by industry. Staff is seeking clarification thereof from interested parties, and is weighing insertion of explanatory text in this regulation.